

Decoupling economic growth from energy consumption in Romania

July 2016

Executive summary

After years of studies, meetings at all levels and with all interested parties, an almost unanimous consensus was reached: climate change is caused by human activity and it is necessary to take action to reduce its impact. The signing of the Paris Agreement in December 2015 is the most recent confirmation of this consensus, through which states promise to take concrete measures to combat environmental and climate deterioration. Yet we will soon mark one year since this historic moment, and a real paradigm shift cannot be observed in any country.

In this context, this report contests one of the fundamental premises that creates reluctance among national governments. We challenge the idea that an increase in energy consumption is a prerequisite for economic growth. We show that the opposite is already happening in Romania and other European states where the economy grows while energy consumption is dropping. In a 2011 report, the United Nations termed this concept “decoupling” economic growth from energy consumption, connecting the phenomenon to innovation and the need to rethink economic progress¹. Today, the term can be found in the majority of ambitious development policies.

However, the same perspective does not seem to have reached Romania. Transelectrica, the country’s national electricity transport and system operator, estimates that consumption will almost double by 2030 – in the most “unfavourable” scenario, it will increase by only 20 per cent². In *The Analysis of the Current Stage* – the starting point for developing the new National Energy Strategy (currently development) – the Ministry for Energy admits that a decoupling of GDP and energy consumption has been underway in Romania since 2009³. But the rest of the document pays no attention to this fact, analysing each sector from the perspective of growth potential.

¹ UNEP (2011) Decoupling natural resource use and environmental impacts from economic growth, A Report of the Working Group on Decoupling to the International Resource Panel.

² <http://transelectrica.ro/web/tel/consum>, table 5b.

³ Ministry for Energy, *The Analysis of the Current Stage* (updated February 15 2016), p. 17.

In comparison to developed countries, Romania has a very high potential to reduce its consumption. Energy intensity is twice the EU average, and sectors such as buildings or transport can become much more efficient. Furthermore, greenhouse gas emissions reduction targets in the context of the Europe 2020 Strategy were very unambitious, being largely reached without significant effort.

Although decoupling already takes place in Romania without any measure to encourage it, no government ever took steps to adapt to the new context. For this reason, the last part of the report offers a series of recommendations that would lead to both economic prosperity, as well as decreasing energy consumption. These include increasing energy efficiency, reducing emissions generated by the transport sector and developing renewables.

Download the full study (in Romanian) at

<http://bankwatch.org/sites/default/files/decoupling-RO-05Jul2016.pdf>